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December 22, 1999

RECORDATION NO. 20312-L FILED

DEC 22 '99

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SURFACE TRANSPORTATION BOARD

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Secretary Williams:

I have enclosed seven originals of the document described below, to be recorded pursuant to 49 U.S.C. § 11301.

The document is a Memorandum of Security Agreement and Assignment of Leases, a secondary document, dated as of March 1, 1999. The primary document to which this is connected is recorded under Recordation No. 20312. We request that this document be recorded under Recordation No. 20312-L.

The names and addresses of the parties to the Memorandum of Security Agreement and Assignment of Leases are:

Debtor:

Southern Capital Corporation, LLC
1055 Broadway
Suite 990
Kansas City, MO 64105-1599

Secured Party:

The Chase Manhattan Bank
270 Park Avenue
New York, NY 10017

A description of the equipment covered by the Memorandum of Security Agreement and Assignment of Leases consists of 131 60' 100-ton boxcars numbered KCS 125550-125680, inclusive.

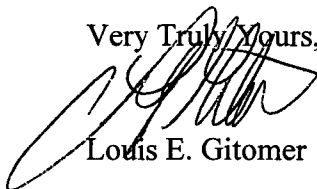
Honorable Vernon A. Williams
December 22, 1999
Page 2

A fee of \$26.00 is enclosed. Please return six originals to:

Louis E. Gitomer
Of Counsel
Ball Janik LLP
Suite 225
1455 F Street, N.W.
Washington, DC 20005

A short summary of the document to appear in the index follows: a Memorandum of Security Agreement and Assignment of Leases between Southern Capital Corporation, LLC, 1055 Broadway, Suite 990, Kansas City, MO 64105-1599, and The Chase Manhattan Bank, 270 Park Avenue, New York, NY 10017 covering 131 60' 100-ton boxcars numbered KCS 125550-125680, inclusive.

Very Truly Yours,

A handwritten signature in black ink, appearing to read "Louis E. Gitomer", is written over the typed name.

Louis E. Gitomer

Enclosures

DEC 22 '99

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SURFACE TRANSPORTATION BOARD

Memorandum dated as of March 1, 1999, of a Security Agreement and an Assignment of Leases made and entered into as of October 21, 1996, by and between Southern Capital Corporation, LLC, a Colorado limited liability company, as Grantor/Assignor (the "Grantor"), having its principal offices at 4 Embarcadero Center, Suite 2200, San Francisco, CA 94111, and The Chase Manhattan Bank, as collateral agent (the "Collateral Agent"), having its principal offices at 270 Park Avenue, New York, NY 10017.

Reference is hereby made to the Leases specified on Exhibit A attached hereto, by and between the Grantor and the Lessee identified on such Exhibit A (as the same have been and may be amended, supplemented, otherwise modified or renewed from time to time, the "Leases")

WITNESSETH

- 1 The Grantor, pursuant to that certain Assignment and Security Agreement (Chattel Mortgage) dated as of October 21, 1996, between the Grantor and the Collateral Agent has transferred, conveyed, warranted, mortgaged, delivered, pledged, assigned and granted to the Collateral Agent, its successors and assigns, all of the Grantor's rights, title and interest in and to the Collateral (as defined therein), including, without limitation, the RR Equipment and the Rental Collateral, all the Grantor's rights, interests and privileges, now or hereafter existing, in and to the Rental Collateral and any and all Proceeds of the foregoing
2. As used in this Memorandum of Security Agreement and Assignment of Leases the following capitalized terms used herein and not otherwise defined herein shall have the meanings specified below Any other term used herein and not otherwise defined herein shall have the meaning assigned to such term in the Competitive Advance and Revolving Credit Facility Agreement dated as of October 21, 1996, as amended, modified, extended or restated from time to time among Southern Capital Corporation, LLC, the Lenders (as defined therein), Bank of America Illinois, as documentation agent and The Chase Manhattan Bank as syndication agent and administrative agent

"Rental Collateral" means all right, title and interest of the Grantor in and to every lease or car service contract (whether or not such lease or car service contract is in writing or is for a term certain, including, without limitation, per diem leases), now or hereafter existing, relating to the RR Equipment and all other leases constituting any portion of the Rail Portfolio, including, without limitation, the Leases, (each such lease and car service contract, including all amendments, riders, supplements, other modifications and schedules thereto and renewals thereof, an "Assigned Lease"), and including, without limitation, the immediate and continuing right to collect and receive any and all payments due and to become due under any Assigned Lease, whether as contractual obligations, damages or otherwise and all Proceeds of any thereof (such payments, the "Assigned Lease Proceeds").

"RR Equipment" means all rolling stock and is described on Exhibit A attached hereto

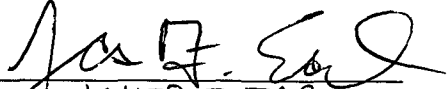
"Proceeds" shall have the meaning assigned to such term in the UCC and, in any event, includes, without limitation, (a) any and all proceeds of any insurance, indemnity, warranty or guarantee payable to the Grantor from time to time with respect to any of the Collateral, (b) any and all payments (in any form whatsoever) made or due and payable to the Grantor from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of any of the Collateral by any governmental authority (or any person acting under color of governmental authority) and (c) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.

"UCC" shall mean the Uniform Commercial Code as from time to time in effect in the State of New York


IN WITNESS WHEREOF, the undersigned has caused this instrument to be signed by its corporate officer as of the date first above written

SOUTHERN CAPITAL CORPORATION, LLC,

by


Name: JAMES F. EARL
Title: Authorized Representative

by

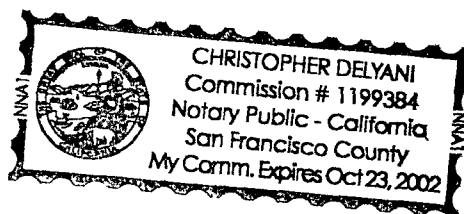

Name: Thomas King
Title: Authorized Representative

STATE OF CALIFORNIA)
) ss
COUNTY OF SAN FRANCISCO)

On this 17th day of December, 1999, before me, Christopher Delyani, Notary Public, personally appeared James F. Earl, to me personally known, who being by me duly sworn, says that he is an Authorized Representative of SOUTHERN CAPITAL CORPORATION, LLC, that the foregoing instrument was signed on behalf of said limited liability company, and he acknowledged that the execution of the said instrument was his free act and deed

Christopher Delgado
NOTARY PUBLIC

My commission expires _____

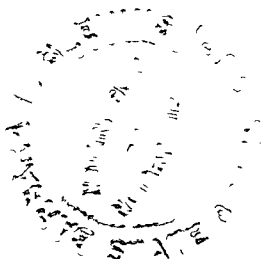


STATE OF Missouri)
) ss
COUNTY OF Jackson)

On this 20th day of December, 1999, before me, Barbara L. Blevins, personally appeared Thomas King, to me personally known, who being by me duly sworn, says that he is an Authorized Representative of SOUTHERN CAPITAL CORPORATION, LLC, that the foregoing instrument was signed on behalf of said limited liability company, and he acknowledged that the execution of the said instrument was his free act and deed.

Barbara L. Blevins
NOTARY PUBLIC

My commission expires: 10/04/03



LEASES AND RR EQUIPMENT

| <u>Lessee</u> | <u>Lease Number</u> | <u>Equipment</u> | <u>Type</u> | <u>Number of Units</u> | <u>Identifying Numbers (Both Inclusive)</u> |
|---|---|-------------------------|---|--------------------------------|---|
| The Kansas City Southern Railway Company | Supplement No. 4 to Equipment Master Lease Agreement | 60', 100-ton boxcars | Refurbished and Rebuilt at Conrail Car Shop in Hollidaysburg, PA in 1999 | 131 | KCS 125550 through KCS 125680 |